

ORIGINAL



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MEMORANDUM

TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

for

DATE: June 30, 2015

RE: IN THE MATTER OF THE APPLICATION OF NETWORK OPERATOR SERVICES, INC. FOR APPROVAL TO CANCEL THEIR ALTERNATIVE OPERATOR SERVICES AND RESOLD LONG DISTANCE SERVICES CERTIFICATE OF CONVENIENCE AND NECESSITY. (DOCKET NO. T-02679A-15-0140)

Attached is the Staff Report for the above referenced application. The Applicant is applying for approval to cancel its Certificate of Convenience and Necessity ("CC&N") to provide the following services:

- Alternative Operator Services
- Competitive Resold Long Distance Services

Staff recommends cancellation of the CC&N.

SMO:LLM:nr | ML

Originator: Lori L. Morrison

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SERVICE LIST FOR: NETWORK OPERATOR SERVICES, INC.
DOCKET NO. T-02679A-15-0140

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Network Operator Services, Inc.
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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

NETWORK OPERATOR SERVICES, INC.
DOCKET NO. T-02679A-15-0140

IN THE MATTER OF THE APPLICATION OF NETWORK OPERATOR SERVICES, INC.
FOR APPROVAL TO CANCEL THEIR ALTERNATIVE OPERATOR SERVICES AND
RESOLD LONG DISTANCE SERVICES CERTIFICATE OF CONVENIENCE AND
NECESSITY

June 30, 2015

STAFF ACKNOWLEDGEMENT

The Staff Report for the application of Network Operator Services, Inc., Docket No. T-02679A-15-0140, for approval to cancel its Certificate of Convenience and Necessity was the responsibility of the staff member listed below. Lori Morrison was responsible for the review and analysis of the application.

A handwritten signature in black ink, appearing to read "Lori Morrison", is written over a horizontal line.

Lori Morrison
Utilities Consultant

INTRODUCTION

On April 30, 2015, Ms. Susan P. Freeman, on behalf of Network Operator Services, Inc. ("NOSI" or "Company") submitted a letter requesting cancellation of its Certificate of Convenience and Necessity ("CC&N") to provide alternative operator services ("AOS") and resold long distance telecommunications services within the State of Arizona effective immediately.

On May 5, 2015, Ms. Freeman submitted a correction to its original letter stating the year NOSI stopped providing service in Arizona was 2014 instead of 2013 as was stated in the May letter.

BACKGROUND

On August 6, 2001, in Decision No. 63906, the Commission granted NOSI a CC&N to provide alternative operator services and resold long distance telecommunications services within the State of Arizona. Although NOSI was granted authority to provide resold long distance telecommunications services, it never provided that service to any customers.¹

STAFF'S ANALYSIS

In its April 30 and May 5, 2015 letters, NOSI states it is no longer providing AOS or doing business in Arizona and stopped providing AOS in Arizona by no later than December 31, 2014. Because it has no customers in Arizona, there were no customers to notify and NOSI requests a waiver of the notice of discontinuance of services to customers in Arizona Administrative Code ("A.A.C.") R14-2-1107(A)(1). Because there are no customers, no counties are affected by the discontinuance of service, and NOSI also requests a waiver of the published notice requirements in affected counties in A.A.C. R14-2-1107(B).

The Consumer Services Section of the Utilities Division reports that from January 1, 2012 to May 1, 2015, there was one complaint filed in 2014 against NOSI, which has resolved. According to the Corporations Division, NOSI is in good standing. The Compliance Section reports that there are no current compliance delinquencies for NOSI.

RECOMMENDATION

Network Operator Services, Inc. is not currently providing alternative operator services and resold long distance telecommunications services telecommunications services to any customers in Arizona. As such, Staff recommends approval of NOSI's request for a waiver of the requirements to provide direct notice to affected customers and publish notice contained in A.A.C. R14-2-1107. Staff recommends that NOSI's CC&N to provide alternative operator services and resold long distance telecommunications services telecommunications services be cancelled. Staff further recommends the cancellation of NOSI's tariffs that are on file with this Commission.

Upon cancellation of its CC&N, NOSI will no longer be authorized to provide alternative operator services and resold long distance telecommunications services telecommunications services

¹ Company filed a letter on November 19, 2001, in Docket No. T-02679A-92-0190, notifying the Commission that it did not desire to provide resold long distance services and therefore is not required to provide a \$10,000 bond.

Entrix Telecom, Inc.

Docket No. T-04180A-13-0467

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in Arizona and therefore, will no longer be a public service corporation, subject to the requirements of Decision No. 63906.